

The effect of soft factors and quality improvement on performance of Malaysia's electrical and electronics industry

Abstract

First, this study analyze the relationships among the soft factors, quality improvement, and organizational performance, and second, advanced the study by examining quality improvement as an organizational development practice in mediating the relationship between soft factors and organizational performance in 255 Malaysia's Electrical and Electronics (E&E) firms. Structural equation modeling statistical technique was used to test the proposed theoretical model. The findings revealed that, five of the soft factors, namely: management commitment, customer focus, employee involvement, reward and recognition, and supplier relationship explained almost 94 percent of the variation in quality improvement. Four soft factors, namely: management commitment, customer focus, reward and recognition, and employee involvement were significant predictors of organizational performance. The study found that reward and recognition exerts the strongest total effect on organizational performance. The next strongest total effect is customer focus.